

DEPARTMENT ROLLS OUT YOUTH CO-OPERATIVE DEVELOPMENT CENTRES



The beneficiaries of the pilot Youth Cooperative Development Centre during the commissioning of the Project.



A picture of the complete Car Wash Project situated at unit 7 in Mmabatho

BACKGROUND INFORMATION

The Department of Economic Development and Tourism, fostered a partnership with Municipalities in the Province, Department of Social Development, Provincial Youth Commission, Umsobomvu Youth Fund, Telkom, Eskom and IDT, to help alleviate the proliferation of informal car wash outlets within the Province. The principal idea involves the setting up of Provincial Youth Cooperative Development Centers (YCDCs) through the amalgamation of the existing informal car wash outlets to form single Practical Business Training Centers outlets at each Local Municipality. This model is the emulation and modification of the Galeshewe Car Wash in the Northern Cape. The Galeshewe (Kimberley) Car Wash was visited in 2006 by the Department, Local Municipalities and the Department of Social Development.

Although the car wash is the core business, the center will operate as a Multi Enterprised entity consisting of a Small Convenience Store, Internet and Copy Shop. Members will be afforded the opportunity to combine theoretical knowledge of Business Management with the practicality of managing a car wash business over a period

of three years. The assumption is that at the end of three years enough reserves would have been accumulated and the beneficiaries will be able to start their own business.

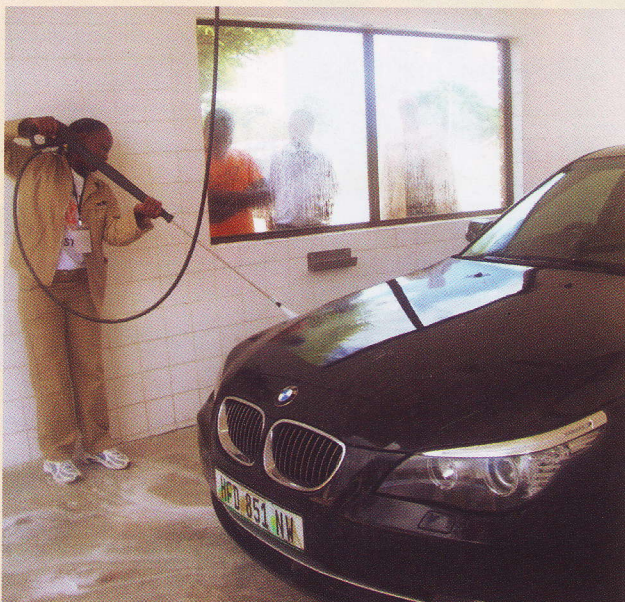
The Mafikeng Youth Cooperative Center is a pilot project for the North West Province. Similar Centers will be established at other Municipalities over the next MTEF period. The contracted Youth Cooperative will be provided with the following facilities;

- Building (to be rented for three years)
- Equipment (as part of the building)
- Uniform (donation)
- Start- up working capital (donation)

The prime objectives of the project are;

- To transform informal car wash outlets into well structured business units.
- To capacitate the Youth with the necessary business skills.
- To reduce unemployment level, especially amongst the youth.
- To enhance young aspiring entrepreneurs to acquire funds and establish their own business entities.

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One of the beneficiaries of the Car Wash Project washing the first car to roll through the project's washing bays

The key stakeholders and their responsibilities are;

IDT - has branded and supplied the project with protective wear to be used in the project. The overalls Cooperatives Members are wearing were donated by Independent Development Trust.

TELKOM - has provided the first phase of Business training and will provide each centre with a telephone container as a complementary venture. They will install the telephone lines for the Internet Café within a month time.

UMSOBOMVU YOUTH FUND - has provided a joint training with SEDA and they (SEDA and Umsombovu Youth Fund) have facilitated the development of a business plan for the cooperative through their voucher system.

SEDA - will be responsible for aftercare, coaching and mentoring and will also work closely with Umsombovu Youth Fund to ensure that preliminary training is aligned with services they will be providing.

Provincial Youth Commission (PYC) - Their main role is lobbying and advocacy. They will be more active when the centres is fully

operational. They are expected to solicit support from all relevant structures.

Local Municipalities - Municipalities are the co-sponsors of the project and they will be the Project Owners who will be responsible for maintenance of the building and the basic amenities. They will enforce bylaws to ensure that there are no illegal car washers within the vicinity of the project.

This particular structure was constructed in three phases. The first phase was fencing of the site, followed by construction of the main building and then landscaping as well as paving. Women empowerment policies were recognized in the first two phases where the contracts were awarded to black female contractors. The structure will be registered in the asset register of the Mafikeng Local Municipality (IDP) and the Municipality will be responsible for maintenance of the building and basic amenities.

Department of Economic Development & Tourism - The Department is the main sponsor and will also assist with the monitoring and evaluation of the project once the centre is operational. The Department has facilitated the registration of the cooperative with the Department of Trade and Industry (DTI). The Department also facilitated training of the co-operative members on:

- Business Management
- Finance, Marketing and Co-operative Governance

Department of Trade and Industry - Still awaiting a positive response from the DTI regarding funding of the Cooperative.

PROJECT OWNERSHIP

At the end of the three-year contract, the employed youngsters (Contracted Cooperative) will be expected to start their own businesses utilizing the accumulated annual reserves as own contribution. A new team (Cooperative) will then take over.

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FUNDING

The Department of Economic Development and Tourism as the fore-runner, has funded the erection of the building.

The Mafikeng Local Municipality has donated a strategically positioned and serviced land for the erection of the building structure. Municipality has also provided services such as the land survey and the drafting of a building plan. The car wash equipments were also purchased by the Municipality.

Construction commenced in January 2008 and was completed in September 2008.

The total cost for the entire centre amounted to R2, 486, 314.24.

PROJECT OPERATION

The Local Municipality (LED Units) will assign an experienced and trained Officer as an Overseer who will work closely with the

Cooperative members.

Services to be rendered by this centre will, in addition to the car wash include:-

- Public cell phone outlet
- Internet Cafe
- Small Convenient Store

Other activities/services will be faced in as time progresses depending on the needs within the area.

It should be noted that this initiative is unique and important hence the DBSA has been approached by the Limpopo Province to develop the same model for their province.

The Mafikeng Project was commissioned by the Deputy Minister of Trade and Industry, Ms Elizabeth Thabethe and MEC Darkey Africa on 20th March 2009. "We convinced that this centre will be well taken care of and will benefit the Youth for years to come," the MEC said during the commissioning.



MEC Darkey Africa and Trade and Industry Deputy Minister, Ms. Elizabeth Thabethe shaking hands after unveiling the plaque to mark the commissioning of the Mafikeng Car Wash Project